Withdrawal of tax exemption on leasing of aircrafts

2091. SMT. N. P. DURGA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have made any assessment of the possible impact of withdrawal of tax exemption for companies leasing new aircraft;

(b) the details of loss that has to be borne by the IA and AI on leasing out their aircraft to others; and

(c) what would be the implication of this move in the next five years of IA and AI?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir. The provisions in the Financial Bill relating to withdrawal of Income Tax exemption on payment of lease rentals of aircraft/aircraft engine will pose additional financial burden on airlines seeking to lease aircraft. The extent of additional financial burden will depend on the number of aircraft leased.

(b) and (c) The proposed withdrawal of tax exemption is on lease rental payments to foreign lessors on lease in of aircraft by airlines. The proposal is not applicable for leasing out of aircraft. There is no implication on Indian Airlines or Air India on this count as they have no proposal to lease out their aircraft to others.

Hurdles in privatisation of Delhi and Mumbai airports

2092. SHRI LALIT SURI:

SHRI KARNENDU BHATTACHARJEE:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Mumbai and Delhi airports are proposed to be privatised;

(b) if so, the time-frame stipulated therefor;

(c) whether employee unions or other interests are causing hurdles in the process of privatisation of these airports; and

(d) if so, the details thereof and what alternate ways are being considered for the development of these airports so as to bring them at par with the best in the world?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Mumbai and Delhi airports are being restructured and modernized through Joint Venture (JV) route.

(b) A time period of eight months has been targeted to complete the transaction for restructuring and modernizing the two airports.

(c) and (d) Representatives of the recognized Union and Officers' Associations have formed AAI Employees Joint Forum. The Forum held relay hunger strikes and demonstrations at various airports in the country during the period from 19.07.2004 to 22.07.2004 and protested against the proposed restructuring of Mumbai and Delhi airports. The Forum have deferred their agitational programme after the management of AAI agreed to hold frequent discussions with the representatives of the Forum on various developments.

Shifting of Patna airport

† 2093. SHRI MANGANI LAL MANDAL: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that direct Airbus facility between Patna and New Delhi is not available every year from the month of April to August due to relatively shorter length of runway at Patna Airport;

(b) if so, the solution thereof and the action taken by Government so far to solve this problem; and

(c) whether Government are considering to shift the airport at Patna to Bihata or elsewhere as an alternative measure?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) In the past Indian Airlines operated a daily A-320 service on Mumbai-Delhi-Patna-Ranchi and vice-versa route. But in summers due to high temperature coupled with limitation of shorter runway at Patna, Indian Airlines was constrained to change the above routing of the flight to Mumbai-Delhi-Ranchi-Patna and *vice-versa* as it involved load penalty.

(b) Airports Authority of India has acquired land from State Govt, and Indian Railways for restoring runway strip width to required standard. This exercise is likely to be completed during current financial year. The runway

†Original notice of the question was received in Hindi.